

State of Arizona Department of Financial Institutions



"AZDFI"



Southwest Zone Lions Clubs

Saturday, November 22, 2008

Felecia A. Rotellini, Superintendent

WWW.AZDFI.GOV

Who AzDFI Regulates:

Financial Institutions

- Banks (State Chartered)—34
- Credit Unions (State Chartered)—26
- Savings & Loan Associations
(State Chartered) 0
- Independent Trust Companies—4
- Consumer Lenders—32
- Financial Institution Holding Companies 0

Who AzDFI Regulates:

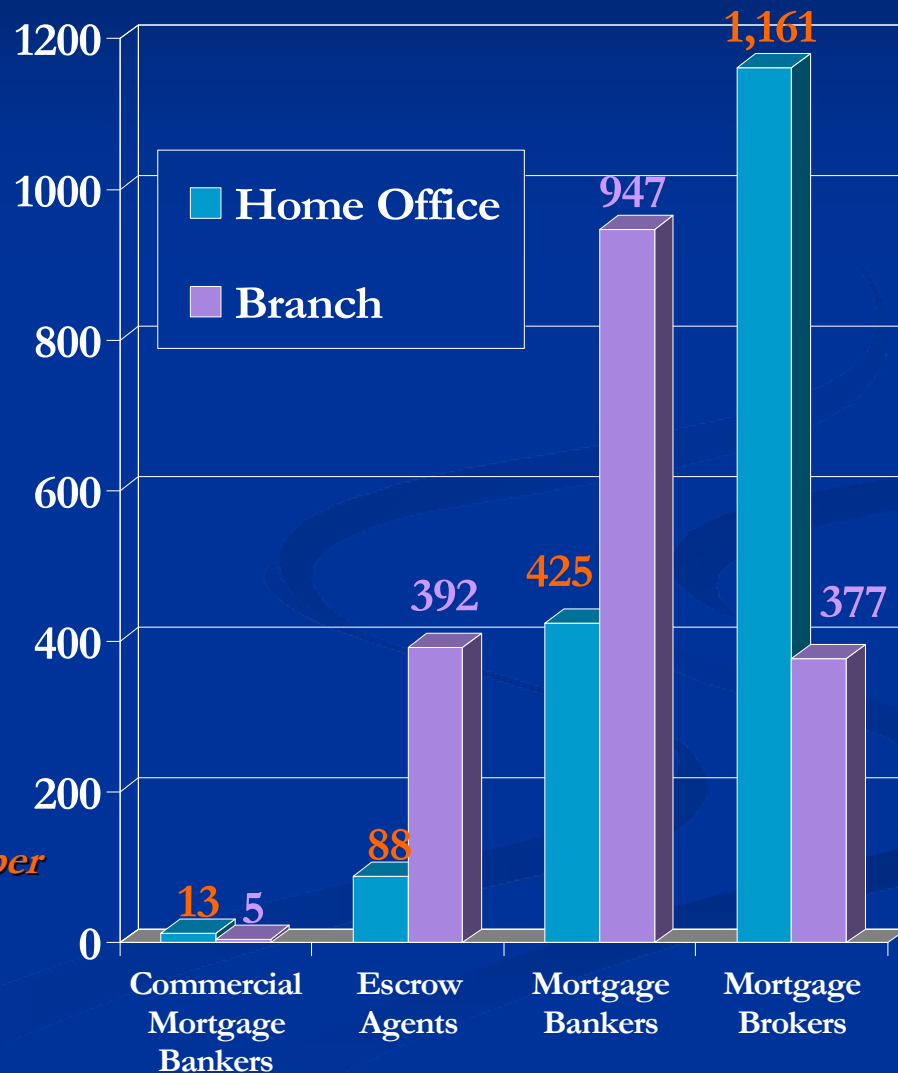
Financial Enterprises

- Advance Fee Loan Brokers—3
- Collection Agencies—657
- Debt Management Companies—32
- Deferred Presentment Companies—84
- Money Transmitters—61
- Motor Vehicle Dealers—608
- Premium Finance Companies—46
- Sales Finance Companies—428

Who DFI Regulates in the Mortgage Lending Industry

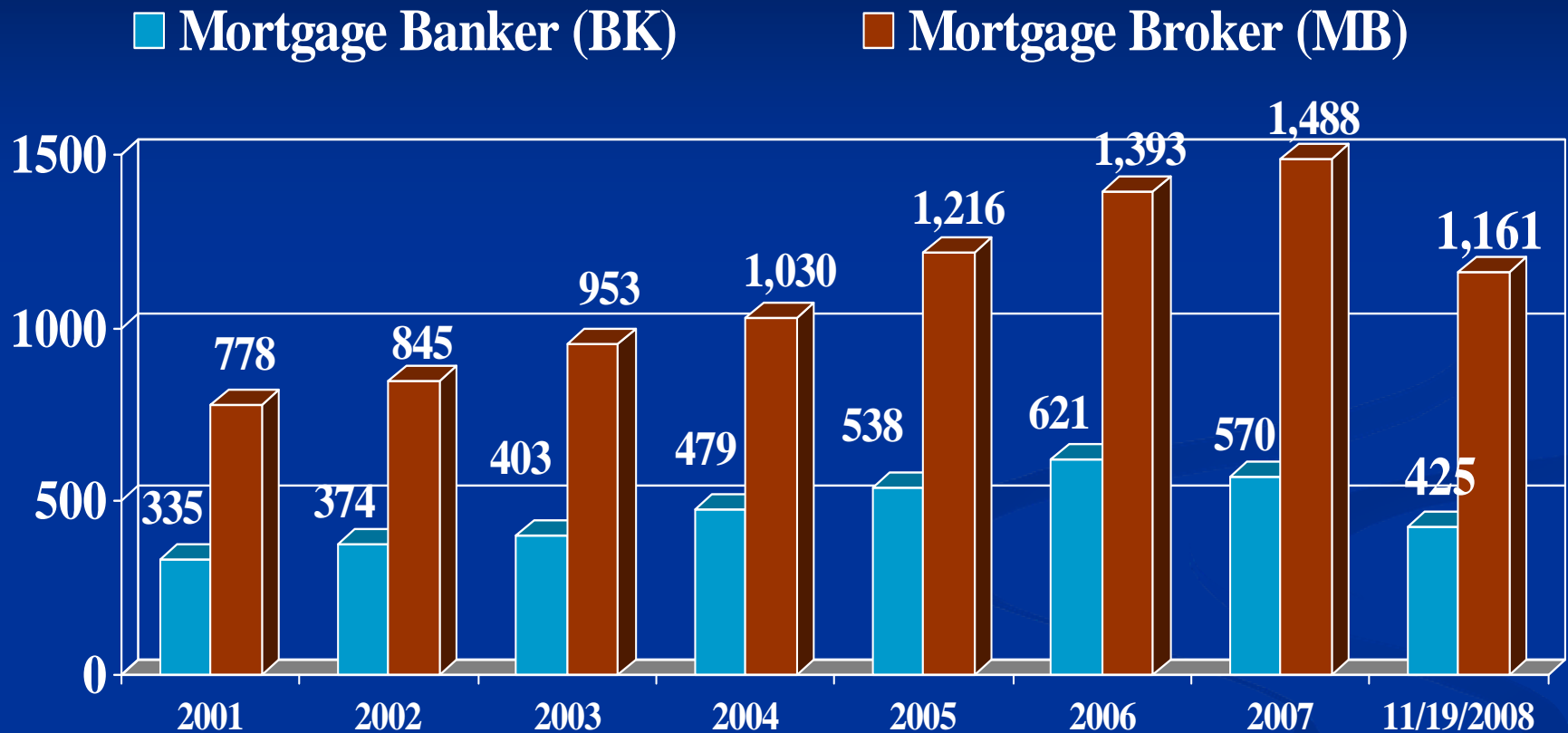
- Commercial Mortgage Bankers *(13)/(5)*
- Escrow Agents *(88)/(392)*
- Mortgage Bankers *(425)/(947)*
- Mortgage Brokers *(1,161)/(377)*

All Licenses Current as of November 19, 2008



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Growth Home Offices

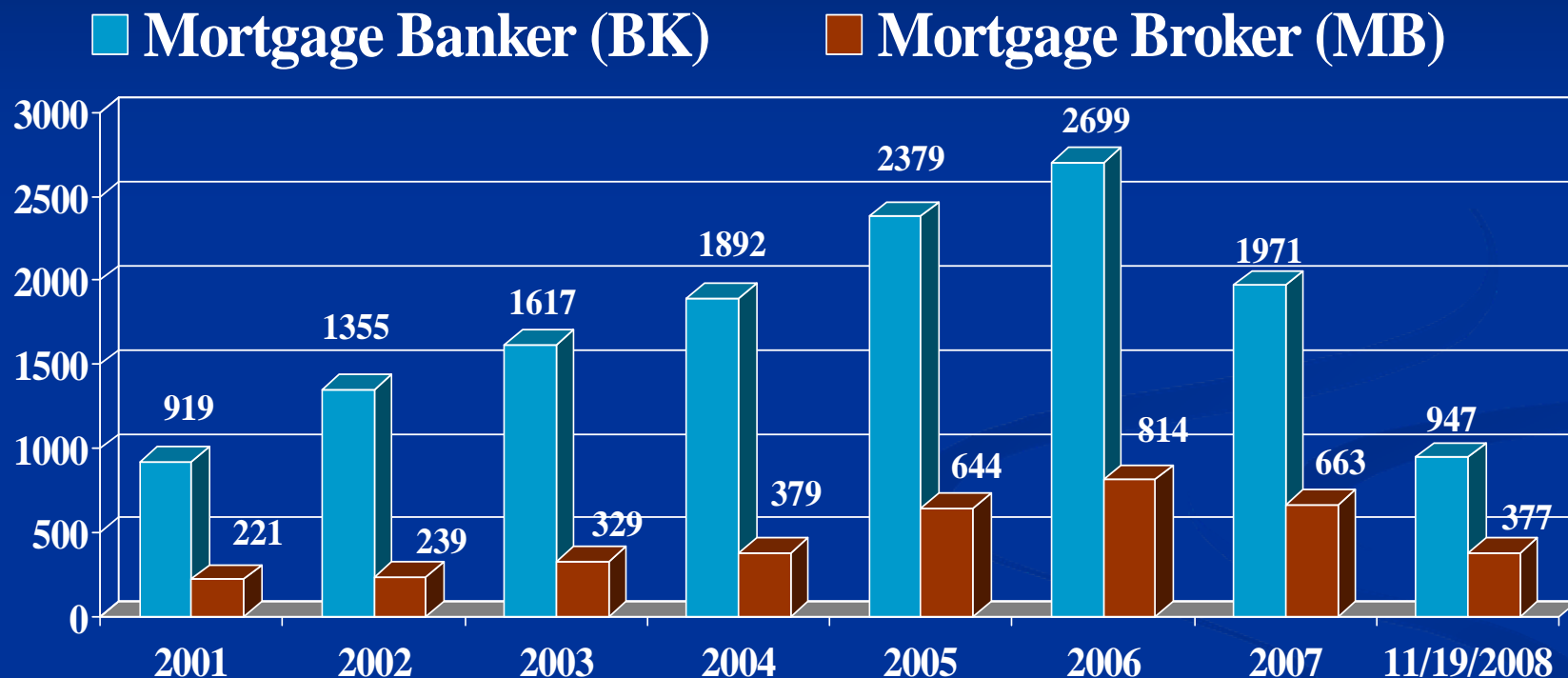


Increase of Mortgage Broker Licensees from 2001 to 2007 = 91.26%

Increase of Mortgage Banker Licensees from 2001 to 2006 = 85.37%

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Mortgage Broker and Mortgage Banker Branches



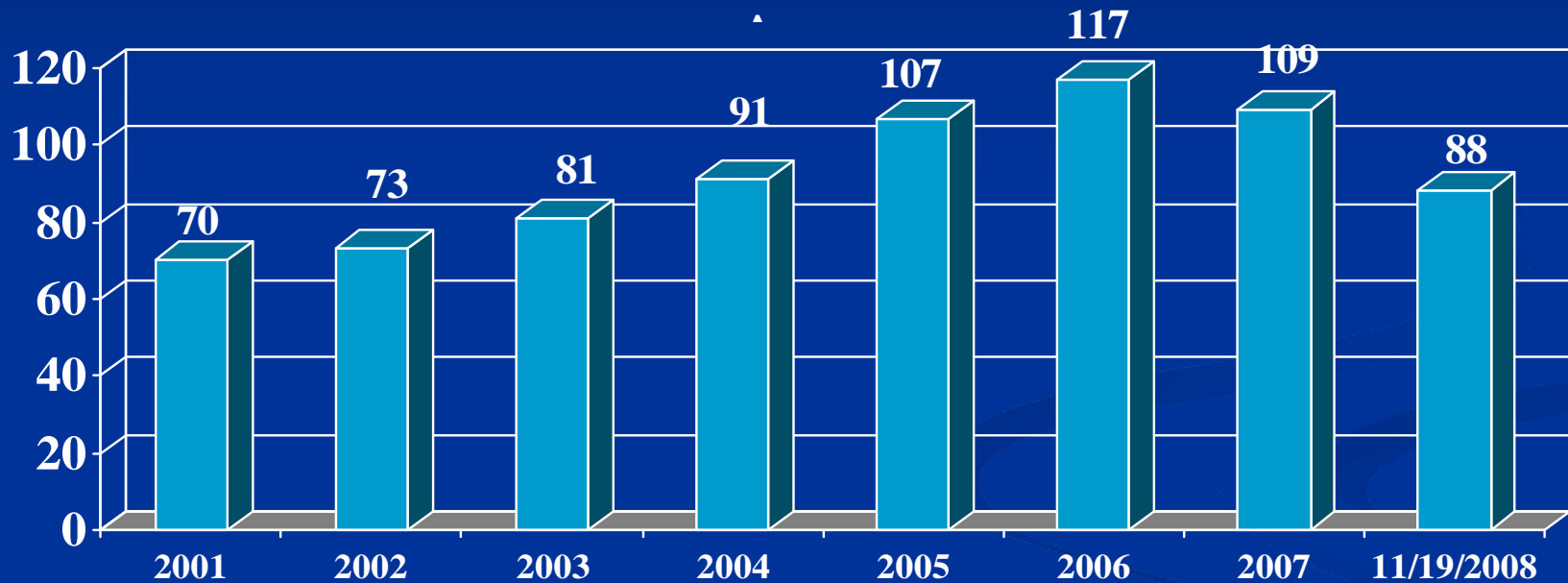
Combined Total Home Offices and Branches for Bankers and Brokers:

12/31/2001	1140
12/31/2006	3513
11/19/2008	1324

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Growth - Home Offices

■ **Escrow**



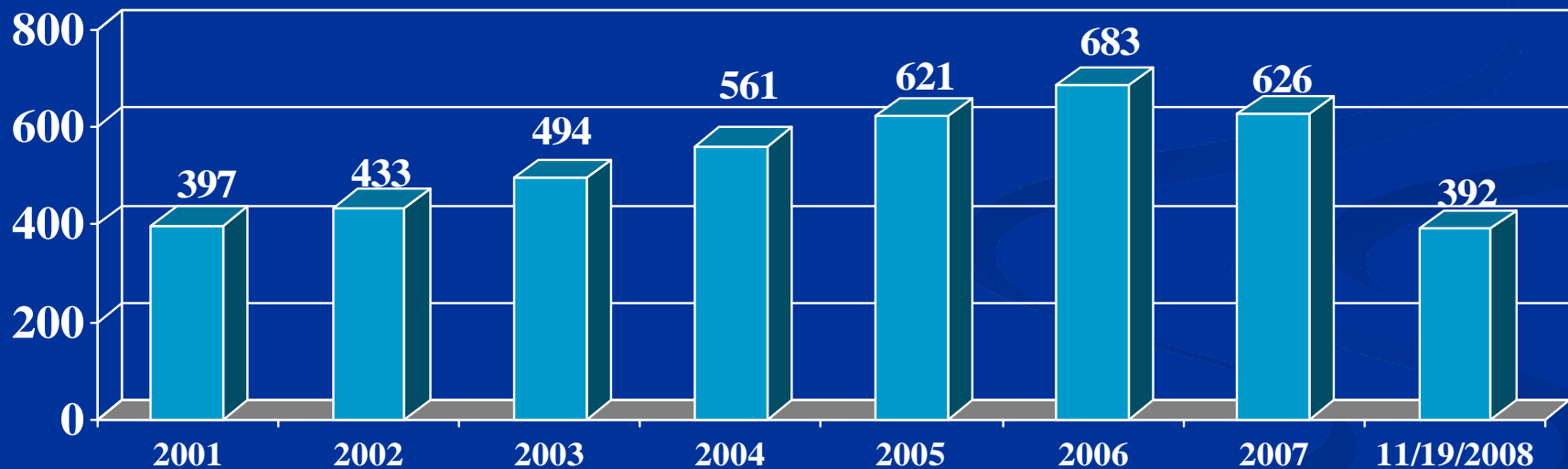
Overall Increase from 2001 to 2006: 67.14%

Overall Increase from 2001 to Present: 25.71%

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Growth – Branch Offices

Escrow Agent



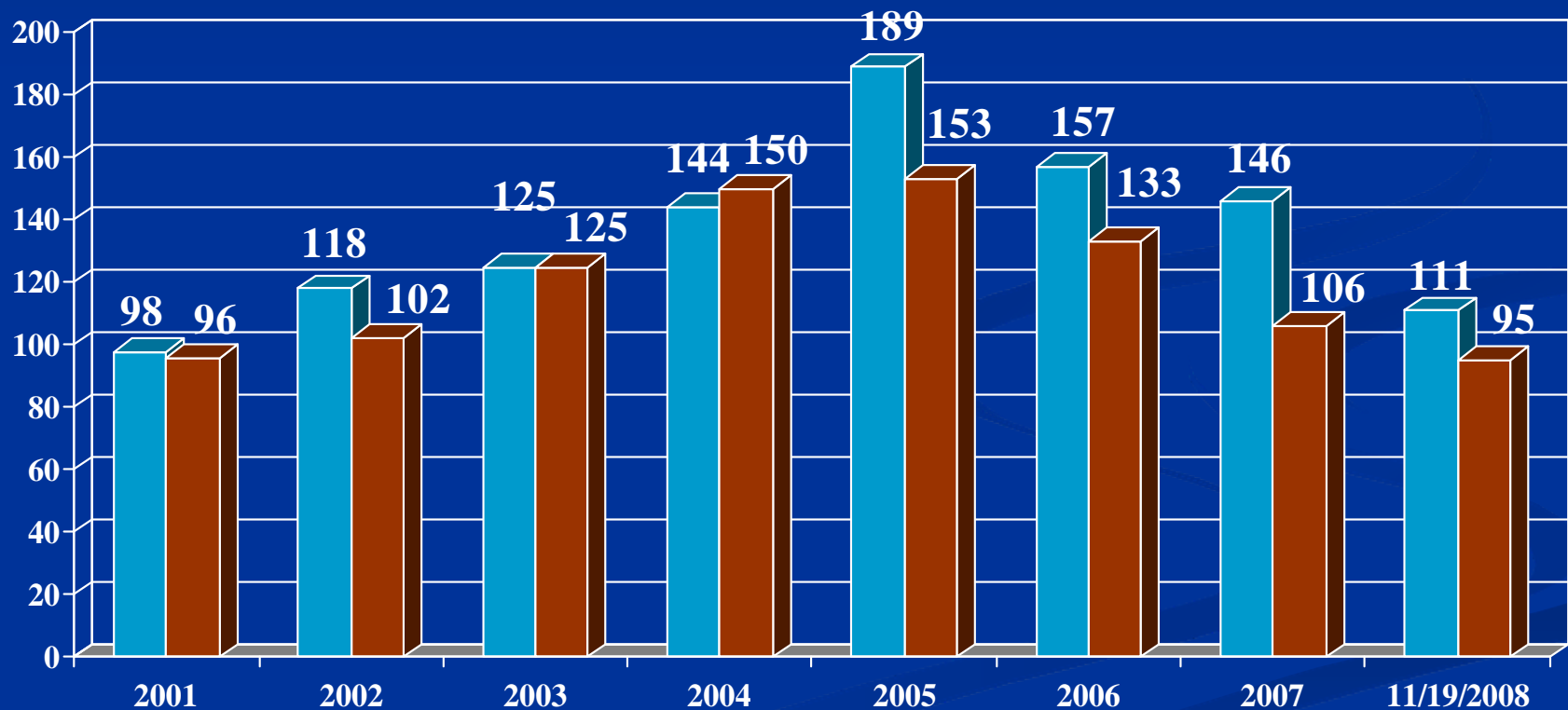
Increase of Branch licenses from 2001 to 2006 = 72.04%

Decrease from 2001 to Present = 1.26%

Arizona Department of Financial Institutions
Consumer Affairs

Escrow Agent Complaints

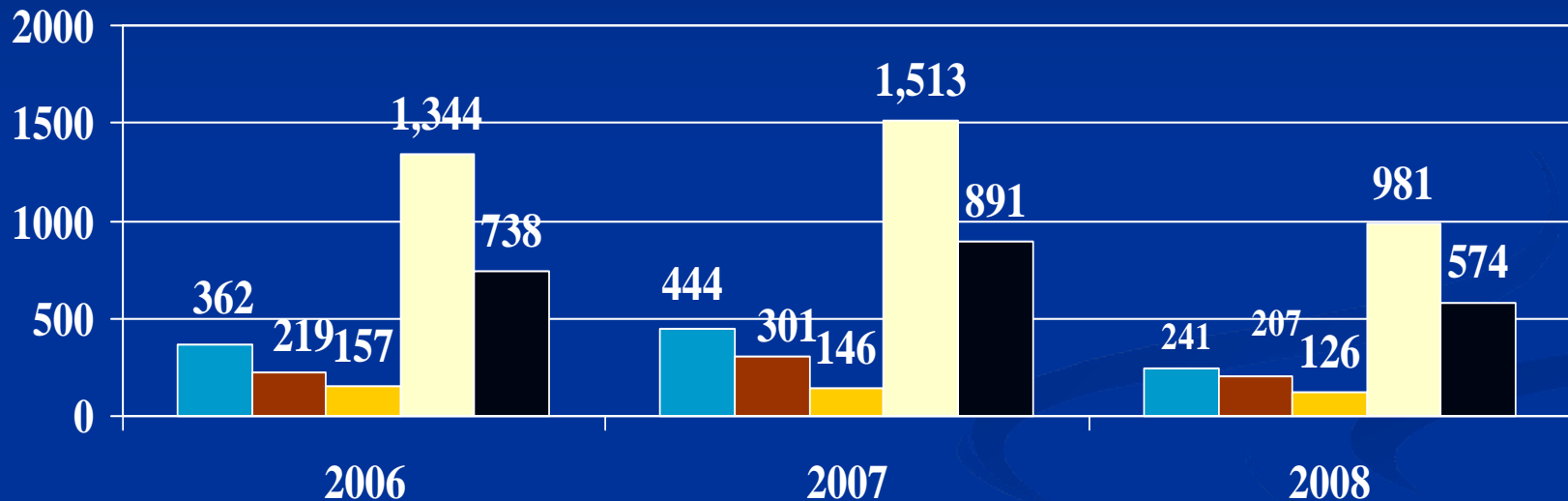
■ Complaints Received ■ Complaints Closed



The Department currently has a total of 994 active complaints. Active escrow agent complaints total 111.

2006 , 2007 & 2008 DFI Complaints

■ Mortgage Banker (BK) ■ Mortgage Broker (MB)
■ Escrow Agents ■ Total Complaints
■ EA, BK, MB, Total Complaints



In 2006, 55 % of All DFI Complaints involved Escrow Agents, Mortgage Bankers and Mortgage Brokers

In 2007, 59% of All DFI Complaints involved Escrow Agents, Mortgage Bankers and Mortgage Brokers

In 2008, 58 % of all DFI Complaints involved Escrow Agents, Mortgage Bankers and Mortgage Brokers (as of 11/19/08)

Removal Orders (A.R.S. § 6-161)

■ Rick T. McCullough	08/07/08
■ Chris Bartlemus *	06/12/08
■ Lisa Gorney *	06/02/08
■ Wendy Kauffman, FKA Wendy Hahn *	04/04/08
■ Cine Johnson *	01/23/08
■ Mary Lou Pidd *	11/19/07
■ Francisco Vincente Martinez	07/17/07
■ Nancy Wilson *	06/05/07
■ Anna Solis *	04/25/07
■ Claudia Denise Ramsey *	04/19/07
■ Sandra J. Flores *	04/13/07
■ Annette Marie Damico *	02/07/07
■ Margie Lynn Means *	01/22/07
■ Victoria Cervantes *	05/04/07

*Escrow Officers removed from the financial services industry

How to avoid fraud

- Implement and adopt strict, systematic, internal controls and monitor these control structures regularly. Take action.
- Develop a detailed policy and procedures manual, follow it, update it, and hold employees accountable upon deviation.
- Conduct regularly scheduled training sessions.
- Learn and understand all of the federal and state laws and rules that apply to your industry.

Members of the Mortgage Fraud Task Force

- Arizona Department of Financial Institutions
- U.S. Department of Homeland Security
- FBI
- IRS
- City Police Departments
- Arizona Attorney General
- United States District Attorney
- Maricopa County Prosecutor & Sheriff
- Arizona Board of Appraisal
- Arizona Dept of Real Estate Investigators
- Arizona Corporation Commission, Securities Division
- HUD Office of Inspector General
- U.S. Postal Inspector
- Social Security Administration OIG Investigators
- ICE
- Freddie Mac Investigators

SB 1028: Loan Originator Licensing

- Beginning January 1, 2010:
 1. All loan originators must be licensed.
 2. To obtain a license, an applicant must:
 - Complete a course of study;
 - Pass an exam;
 - Meet character, competence and credit qualifications; and
 - Have no felonies.

Contact Information

Clyde H. Granderson, Senior Investigator

John Pettet, Senior Investigator

Henry Soza, Special Investigator

Eric M. Boldan, Mgr, Regulatory Enforcement Unit

E-mail: cgranderson@azdfi.gov

jpettet@azdfi.gov

hsoza@azdfi.gov

eboldan@azdfi.gov

Web address: WWW.AZDFI.GOV